

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7274

BILL NUMBER: SB 369

DATE PREPARED: Jan 4, 2002

BILL AMENDED:

SUBJECT: Expiration of Administrative Rules.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill makes changes in the procedure for expiration of administrative rules and reinstates administrative rules that are allowed to expire before the effective date of this act.

Effective Date: Upon passage.

Explanation of State Expenditures:

Provisions for Administrative Rules That Will Expire On or After January 1, 2004: This bill will require agencies with rule-making authority to take additional administrative steps before a rule expires as a result of the seven-year sunset provisions in IC 4-22-2.5-2. Agencies will be required to provide a list of all rules that are scheduled to expire to the Administrative Rules Oversight Committee and publish the list in the Indiana Register. Agencies will also be required to hold a hearing on the expiration of the rule if it receives a written request from an aggrieved party.

Provisions for Administrative Rules That Have Expired or Will Expire Before January 1, 2004: Under this bill, rules that would expire after March 1, 2002, and before January 1, 2004, would instead expire December 31, 2003. Administrative rules that have expired prior to the bill's passage would be required to be treated as if they had not expired until the rule is either:

- 1) amended;
- 2) repealed; or
- 3) allowed to expire January 1, 2009.

This bill effectively limits administrative discretion in allowing rules to *automatically* expire due to the seven-year sunset provision in current statute. Rules that have expired, but would be continued by this bill include the "Beer Baron" rule, as well as rules that may have been allowed to expire because they have

been replaced by other rules. In the latter case, there could be some fiscal implications associated with the temporary existence of two sets of rules covering the same issues. The extent of the potential rule conflicts that may result is not known at this time.

The administrative impact of the procedural requirements on agencies with rule-making authority will depend upon a variety of factors including the number of rules adopted by an agency and the number of hearings the agency is required to hold.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Agencies with rule making authority; Legislative Council; Legislative Services Agency.

Local Agencies Affected:

Information Sources: